



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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April 29, 2002

TO: Agency Directors and Budget Officers

FROM: Candace Espeseth, Assistant Director
Budget Division

SUBJECT: PROPOSED BUDGET PROGRAM STRUCTURE CHANGES
(Revision to April 16, 2002 memo)

This memorandum provides instructions for those agencies considering budget program structure revisions to their accounting structure. Agencies proposing such changes are to submit a request to the Office of Financial Management (OFM) no later than **Monday, May 13, 2002**. A "budget program structure change" is a major shift of costs between programs, a program consolidation or separation, or other significant revision that would affect the comparability of expenditure or revenue information over time. In addition title changes also qualify if the new title is sufficiently different that a user of data might have trouble tracking fiscal trends.

OFM may now approve requests up to certain thresholds without sending them to LEAP. In addition, some shifts no longer require historical reconstruction. Threshold calculations for determining whether an historical restructure is required are based on the same level as the agency appropriations. Shifts between programs greater than 1 percent of budgeted expenditures or staffing levels or changes greater than or equal to \$1 million per fiscal year or 10 FTE staff per fiscal year require historical reconstruction. The 1 percent would be applied to the agency level expenditures for an agency appropriated at this level; program or category level if appropriated at that level. When the threshold is based on program or category, if any affected program or category hits the threshold historic reconstruction is required.

It is important that agency submittals provide a thorough description and justification of each budget program structure change. Please include the following elements to ensure your agency submittal is complete:

- ☐ **A Narrative Description by Program** of how the proposed structure differs from the existing structure, the reason for the proposed change, and the purpose served by the change. This narrative should include any potential effects on the availability of information to the Legislature and the general public. For example, if programs are being consolidated, how this would affect the availability of data from formerly independent activities.



- A **Crosswalk** (see Attachment A) detailing all activities within the affected programs in the existing structure and the proposed structure. If an activity is to be transferred to another program, the proposed structure is to also identify the new program to which an activity is being transferred.
- A **Comparison of Current Structure and Proposed Structure** comparing the total estimated expenditures and FTE staff, **for all programs**, in the ensuing biennium before and after the proposed changes. An example is attached in Attachment B.
- A **reconstructed ten-year (Fiscal Years 1992-2001) operating and capital expenditure and FTE history** reflecting the proposed program structure, if required. Shifts between programs greater than 1 percent of budgeted expenditures or staffing levels, \$1 million per fiscal year, or 10 FTE staff per fiscal year require historical reconstruction. This information will be used to update OFM's official historical database. **The due date for submitting restructured data is Friday, May 24, 2002.**

To save unnecessary work, you should contact your OFM budget analyst for preliminary approval of the proposal before creating historical data. For procedural details on submitting ten-year history, please contact Bob Lewis, OFM Accounting Division at (360) 664-7677. Program changes caused by legislative action (e.g., creating a new agency or moving an existing program to another agency) do not require a formal request; however, the ten-year history restructure by the above date is still necessary.

Please mail your agency's budget program structure change request memo to:

**Mike Cheney
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